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RUEHBO/AMEMBASSY BOGOTA 2336
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RUEHBR/AMEMBASSY BRASILIA 0768
RUEHCV/AMEMBASSY CARACAS 1994
RUEHPE/AMEMBASSY LIMA 6060
RUEHMN/AMEMBASSY MONTEVIDEO 4298
RUEHQT/AMEMBASSY QUITO 2239
RUEAIIA/CIA WASHDC
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SUBJECT: CHILE MEDIA REPORT - MARCH 16

Leading Stories

1. Dailies highlighted that Wall Street is beginning to show signs of economic recovery. Dailies also reported on the plebiscite held in the Municipality of Vitacura to vote on the community's urban development projects. This is the first ever such plebiscite held in Chile.

U.S.-Related News

2. "There is no solid data in the ongoing investigation so as to say that Mexican cartels are operating in Chile," said Undersecretary of Interior Patricio Rosende, in answer to remarks made by the head of the DEA in Chile, David Horan. The U.S. official had said that the arrest of three Mexicans at Santiago's airport as they tried to smuggle ephedrine to their home country was a clear indication that Mexican drug cartels "are exploring new routes." "Just because Mexicans are arrested in an operation does not mean that Chile has turned into some sort of paradise for narcotics traffickers," said Rosende. The Chilean official, however, concurred with Horan that Mexican cartels are "looking for markets worldwide, including South America." The chairman of the House's Citizen Safety and Narcotics Committee, Cristian Monckeberg, said the discovery of the ephedrine cargo was reason for "considerable concern," and he added, "I imagine that the Chilean police and government are taking this matter into their hands" (La Tercera, conservative, independent, circ. 101,000, 3/14).

3. For the third time in a row, the powerful International Intellectual Property Rights Alliance, IIPA, recommend the U.S. Trade Representative to keep Chile on its Priority Watch List. According to the IIPA, since 2007 when it was first placed on the list, Chile's accomplishments in the fight against piracy have been meager. Furthermore, IIPA says the use of Internet has facilitated home piracy of audio, videos, and software, bringing losses for U.S. companies last year to US\$130 million. To date Chile has not fulfilled the obligations set forth in the FTA signed with the United States (La Tercera, 3/16).

4. The GOC hopes that with President Obama in office ties with the United States will reach new levels. It is no secret that while Bachelet admires President Obama, the U.S. president hopes to find in Bachelet a key link in his rapprochement with the region. That is why both governments are setting up a bilateral meeting at the Summit of the Americas in Trinidad and Tobago (La Nacion, government-owned, editorially independent, circ. 4,200, 3/16).

¶5. Former Central Bank President Vittorio Corbo said the Obama administration has lacked the "political courage and power to execute" the necessary solutions to bring stability to the U.S. financial system. The administration, he said, has lacked the ability to persuade actors that this is about saving the real economy and not just Wall Street (La Tercera, 3/15).

¶6. Mention of the announced visit of a Texas commercial delegation to Chile this week (La Tercera, 3/15); The Yale Whiffenpoofs, a capella group, that will perform at the Chile-U.S. Binational Center (El Mercurio, 3/15).

¶7. Column by Libardo Buitrago: "President Obama said that winning the war (in Afghanistan) will require greater military and diplomatic inter-ally coordination.... Another element that must be factored in is the large opium traffic. In the eight years since the ousting of the Taliban regime, Afghanistan went from a country free of poppy production ... to becoming the supplier of 92% of the world's poppy production.... Fighting insurgency and narcotics is a lethal combination that will test Obama's determination and the strength of his foreign policy (Diario Financiero, business and financial, circ. 30,000, 3/16).

Progressive Governance Summit

¶8. Vice President Joe Biden and UK Prime Minister Gordon Brown confirmed their participation at the Progressive Leaders Summit, March 27-28 in Vina del Mar; Presidents Obama and Bachelet will have a bilateral meeting in the SOA in Trinidad and Tobago (El Mercurio, 3/14).

¶9. There is a special security protocol for high-ranking foreign officials, such as Vice President Joseph Biden, which will be applied during the summit in Vina del Mar, said Undersecretary of Interior Patricio Rosende. The plan includes appointing a police officer and a special escort to each delegation. The government has also taken into consideration that the summit will coincide with the anniversary of the Day of the Combatant. In previous years on March 29 the anniversary has ended with public disturbances and dozens of people arrested (La Tercera, 3/14).

The U.S. and Latin America

¶10. In his meeting with President Obama in Washington, Brazilian President Lula da Silva told the U.S. President it was necessary for Washington to get closer to Cuba, Venezuela, and Bolivia, underscoring that the region "wants to build a new relationship with the United States" (La Tercera, 3/15).

¶11. President Obama has begun his relations with Latin America by meeting with Brazilian President Lula da Silva. The White House has few interlocutors in Latin America, but the most outstanding is Lula, who is the leader of not just an emerging economy, but also one that is rich in oil and a pioneer in alternative energies, such as ethanol (El Mercurio, 3/14).

¶12. President Hugo Chavez offered Russia the island of Orchila as a temporary base for its bombers. The chief of Russian's Air Force Anatoli Zhigarev said "the use of the island is possible if there is a political decision." Russian analyst Alexander Golts said Russia would not gain anything by such a decision. "Bombers don't need a base. This is just a gesture of retaliation," assured Golts (El Mercurio, 3/15). La Tercera mistakenly reports that the island is on Cuban territory, but adds that such a move could lead to a new impasse between Washington and Moscow.

SIMONS